**SAN DIEGO CITY SCHOOLS**

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**BUSINESS SERVICES DIVISION**  
Food Services Department

April 13, 2000

FD2000 Project Coordinator  
Food Distribution Division—FNS  
Fax # 703-305-2420

Dear Project Coordinator:

I am writing to you regarding the final report of the Commodity Order Re-Engineering (CORE) team.

The USDA deserves much credit for taking on the massive but much-needed task of reviewing our nations' commodity program. Because the proposed changes will have a number of implications for school food service programs, I'm glad that your office has agreed to take comments.

I support section 2.2.1 and 2.2.2. of the proposal, dealing with time lines for USDA purchases plans and intent to buy. I am concerned, however with section 2.2.3. which requires school districts to communicate total yearly purchasing decisions for finished commodities or processed goods that could include bulk USDA commodities by June 30 of every year. Menus are not often planned a year in advance and the figures submitted may be inaccurate. I would like to see further work done on this section and especially address how new products added during the school year and/or products being used on a trial basis would be handled.

I would like to see similar effort put into section 3.2.1.1 dealing with the use of prime vendors. It would be unfortunate if the final result of this effort were to restrict the number of vendors that will want to handle school accounts or if school districts' access to vendors became compromised. USDA should detail how this would be avoided.

Section 3.2.1.3. concerns the use of Section 4 and Section 11 money to purchase additional commodities but does not give any details of how the "...payment for these purchases... (which would)...come from federal funds received by the districts for school meals..." would be accurately tracked. A final decision should not be made until this has been clarified.

I was gratified to see that section 3.2.1.7, which advocates the removal of truckload barriers, section 3.2.2., which recommends the use of nationally approved manufacturers, section 3.2.2.2, which supports a uniform commodity price per pound and section 3.2.3. which allows substitution of commodities are included. I support these much-needed reforms.

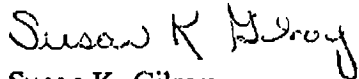
I realize that section 3.2.5, which concerns the use of industry standard specifications, may be important to product manufacturers. But I do not advocate USDA retreating from a position of leadership in the market. A number of food products designed to meet the Dietary Guidelines for Americans (lower fat peanut butter and cheese, canned fruits in juice, etc) were made available to school districts through the efforts of USDA. I would prefer that this section be amended to allow USDA to determine specifications that are different from industry standards.

Five different scenarios are presented for passing on the value of commodities to schools. The one which best suits the needs of the San Diego City Schools Food Services department is outlined in section 3.2.10, Fee for Service Process—Method 1. This is the proposal that has our support.

Finally, I am glad to see a commitment on the part of USDA to establish on-going oversight committees and to pilot the recommendations before they are put in place.

Thank you for allowing us to comment on this important issue.

Sincerely,



Susan K. Gilroy

Food Services Director (Acting)

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